

Message Text

CONFIDENTIAL

PAGE 01 CARACA 01377 051731Z

12

ACTION ARA-10

INFO OCT-01 ISO-00 IO-11 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

PA-01 PRS-01 /103 W

----- 067233

R 042301Z FEB 76

FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 1864

C O N F I D E N T I A L CARACAS 1377

E.O. 11652: GDS

TAGS: PFOR, VE

SUBJECT: REMARKS BY PRESIDENT PEREZ ON U.S. REACTION TO
OIL NATIONALIZATION

SUMMARY. PRESIDENT PEREZ RECENTLY TOLD THE PRESS THAT WHILE HE DID NOT EXPECT THE OIL COMPANIES AND THE "GOVERNMENTS BEHIND THEM" TO REACT FAVORABLY TO NATIONALIZATION THE UN CHARTER OF ECONOMIC RIGHTS AND DUTIES REMOVED ANY OPPORTUNITY FOR THEM TO CONFRONT VENEZUELA OPENLY. HIS COMMENTS WERE NOTABLY Milder THAN RECENT ASSERTATIONS BY PRESIDENT OF THE SENATE AND OF THE AD PARTY GONZALO BARRIOS THAT THE U.S. HAD "PRESSURED" THE GOV OVER COMPENSATION TO THE OIL COMPANIES. END SUMMARY.

1. ON JANUARY 30, DURING THE COURSE OF A PRESS CONFERENCE FOLLOWING A MEETING WITH CANADIAN PRIME MINISTER TRUDEAU, A JOURNALIST ASKED PRESIDENT CARLOS ANDRES PEREZ WHETHER NATIONALIZATION OF THE VENEZUELAN OIL INDUSTRY THREATENED THE MUTUAL RESPECT BETWEEN VENEZUELA AND THE U.S.

2. PEREZ REPLIED THAT NATIONALIZATION HAD BEEN A
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 01377 051731Z

"REVOLUTIONARY ACT," BOTH BECAUSE IT CHALLENGED THE MULTI-

NATIONALS AND THE "GREAT POWERSWHICH STAND BEHIND THEM," AND BECAUSE IT WAS CARRIED OUT PEACEFULLY AND WITH DUE RESPECT FOR THE INTERESTS OF THOSE COMPANIES IN RECEIVING COMPENSATION. HE ADDED THAT OPEC SOLIDARITY AND THE EMERGENCE OF THE THIRD WORLD AS A NEW WORLD POWER HAD MADE NATIONALIZATION POSSIBLE.

3. PEREZ SAID THAT THERE HAD BEEN NO REASON TO THINK THAT THE COMPANIES AND THEIR GOVERNMENTS WOULD BE SATISFIED WITH NATIONALIZATION, SINCE IT DEPRIVED THEM OF CONTROL OF AN INDUSTRY WITH WORLDWIDE SIGNIFICANCE. "HOWEVER," HE CONTINUED, "SINCE THE U.N. HAS NOWPROCLAIMED THE ECONOMIC RIGHTS AND DUTIES OF STATES, INCLUDING THE RIGHT OF EACH COUNTRY TO EXERCISE SOVEREIGN ADMINISTRATION OVER ITS OWN NATURAL RESOURCES, THERE IS NO LONGER ANY OPPORTUNITY TO CONFRONT OUR COUNTRY OPENLY."

4. COMMENT: THESE REMARKS SHOULD BE READ AGAINST THE RECENT STIR CREATED HERE BY AD LEADER GONZALO BARRIOS' STATEMENT THAT THE U.S. HAD "PRESSURED" THE GOV DURING COMPENSATION NEGOTIATIONS WITH THE FOREIGN OIL COMPANIES (CARACAS 708 AND 652). PEREZ'S COMMENTS WERE NOTABLY Milder AND MORE SELF ASSURED, AND APPARENTLY INTENDED TO QUIET DOWN THIS ISSUE.
SHLAUDEMAM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, NATIONALIZATION, PRESS CONFERENCES, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CARACA01377
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760045-0309
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760284/aaaacvvy.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by BoyleJA>; RELEASED <21 JUL 2004 by ullricre>; APPROVED <29 OCT 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REMARKS BY PRESIDENT PEREZ ON U.S. REACTION TO OIL NATIONALIZATION
TAGS: PFOR, ENRG, EINV, VE, US, (PEREZ, CARLOS ANDRES)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006